FSC-138-A	8/17/95	TO: ROM
SUBJECT:	State of New York Prepaid Sales Tax	

DISTRIBUTION:

X	AVP	X	CAM	___	ELM
X	RM	___	Reg.Mil.Mgr.	___	MIL
X	RBM	___	Reg.DF Mgr.	___	DF
X	ROM	___	DM	___	REP

PARTIAL DISTRIBUTION

11	x	21	___	61	___	62	___
12	x	22	___	53	___	63	___
13	x	23	___	54	___	65	___
15	x	24	___	56	___	67	___
16	x	25	___	57	___	68	___
17	x	29	___	58	___	69	___

cc: RCF
ROM
DMs
TEDs
CAMs
SAMs
Reps
NY
Qdy

c/M: 8-22-95

The State of New York will begin collecting a prepaid sales tax of 14 cents per pack on September 1, 1995. Wholesalers stamping for the State of New York will pay the additional 14 cents per pack through the purchase of stamps. (Attached find a copy of the New York State guidelines.)

On sale of product to a retailer, the wholesaler will invoice the additional 14 cents per pack and the retailer will collect the correct amount of sales tax from the consumer. The retailer will then take a 14 cent per pack credit on his monthly sales tax return.

Based on the guidelines set forth by New York regarding wholesale floor tax and the handling of retail on-hand inventory as of September 1, 1995, the purchase of excess inventory prior to effective date is not anticipated. However, should our direct buying customers require additional inventory they may purchase up to, but not exceed their current weekly available allocation.

With BSGSF promotions, the 14 cent per pack sales tax for the "free" product will have been included with the stamp purchase by the wholesaler. For the wholesaler to get his sales tax reimbursement the wholesaler will invoice the retailer for the 14 cent per pack which will include the 14 cent per pack for both the "live" pack and the "free" pack.

The 14 cent per pack on the "free" product will not be passed on to the consumer. The consumer will still pay the correct sales tax amount for the "live" pack and the "free" pack will not include the 14 cent sales tax. Since the retailer paid the 14 cent per pack to the wholesaler for the "free" pack, he will take a credit on his monthly sales tax return to recover the money paid to the wholesaler.

Since the retailer will reimburse the wholesaler the 14 cent sales tax for the "free" pack, RJRT **will not** reimburse the wholesaler the 14 cent per pack prepaid sales tax for "free" product.

At this time, New York has not decided how returned goods will be handled. We will keep you informed as to the procedure New York takes for returned goods.

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Source: https://www.industrydocuments.ucsf.edu/docs/jkfn0000